

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO DAVID POPKIN INTERROGATORIES
(DBP/USPS-37 THROUGH 39 AND 41 THROUGH 44)
(March 12, 2012)**

The United States Postal Service provides institutional responses to the above-listed interrogatories of David Popkin dated February 9, 2012. Each interrogatory is stated verbatim and followed by the response. Objections were filed to DBP/USPS-34, 35 and 40. A response to DBP/USPS-36 is forthcoming.

Respectfully submitted,

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO DAVID POPKIN INTERROGATORY**

DBP/USPS-37 Please refer to your response to Interrogatory DBP/USPS-33. That Interrogatory failed to indicate that First-Class Mail was considering single piece and not presorted First-Class Mail. Please confirm, or explain if you are unable to confirm, each of the following statements:

- [a] There are a number of ZIP Code pairs that presently have overnight service standards for single piece First-Class Mail.
- [b] All of these ZIP Code pairs will convert to either 2-day or 3-day service standards for single-piece First-Class Mail.
- [c] This conversion to 2-day and 3-day service standards represents a reduction in service.
- [d] The price for single piece First-Class Mail will remain the same immediately before and after the conversion noted in subpart [b] above.
- [e] A reduction in service while maintaining the same price could be considered by many mailers to represent a price increase in the same manner that exists in the grocery business where ice cream makers reduced the size of the half gallon [two quarts] container to 1.5 quarts and kept the sales price the same.
- [f] A similar condition would also exist in single piece First-Class Mail which is converted from a 2-day service standard to a 3-day service standard.
- [g] Please advise all of the ZIP Code pairs that presently have overnight service standards for single piece First-Class Mail and which will convert to a 2-day or 3-day service standard and which will have a service standard for Priority Mail or Express Mail that is 2-days or more.
- [h] Please advise all of the ZIP Code pairs that presently have 2-day service standards for single piece First-Class Mail and which will convert to a 3-day service standard and which will have a service standard for Priority Mail or Express Mail that is 3-days or more.
- [i] Based on the response to subparts [g] and [h] above, please confirm or explain that mailers who have a need to obtain the service standard that presently exists for single piece First-Class Mail that is being converted to a slower service in the present Docket, will still be able to obtain the current delivery standard by sending their mail as Priority Mail or Express Mail.
- [j] Please confirm that Priority Mail and Express Mail have always had a higher price than single piece First-Class Mail and there is no reason to expect that condition to change.

RESPONSE

The second sentence of the preamble contains a statement that references interrogatory DBP/USPS-33, but is otherwise unclear. If this statement consists of a question to which a response is being requested, the substance of the question is not apparent.

- (a) Confirmed.

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RESPONSE to DBP/USPS-37 (continued)

- (b) Confirmed that the proposed service standard changes would apply the current overnight standard only to some Presorted First-Class Mail.
- (c) To the extent that it occurs, a change in service from overnight to 2-day, or from 2-day to 3-day, can be viewed as a reduction.
- (d) If it is assumed that the proposed service changes occur immediately after May 15, 2012, then it can be confirmed that no First-Class Mail price changes are currently planned for immediately before or immediately after that date.
- (e) The Postal Service is of the view that a half-gallon is a half-gallon and that a half-gallon container cannot be reduced in size. However, the Postal Service can agree that a commodity currently sold in a half-gallon could subsequently be sold in smaller containers containing a lesser quantity of that commodity. The Postal Service has not performed research that would shed light on any correlation that postal customers might perceive between postal product and ice cream pricing.
- (f) See the response to part (e).
- (g) The answer to this question cannot be determined until the results of the service standard rulemaking is completed and all of the transportation operational changes are identified for each AMP consolidation.
- (h) See the response to part (g).
- (i) That will be one option if they desire delivery by a particular day and mailing a day earlier is never an option.
- (j) Confirmed.

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DBP/USPS-38 Please refer to your response to Interrogatory DBP/USPS-32.

- [a] Should the Northern New Jersey Metro P&DC consolidate its operation to the DVD P&DC as proposed, will it now be necessary to bring my Presorted Standard Mail or any other class of mail that has a discount or service advantage for SCF deposit to the DVD P&DC rather than the NNJ Metro P&DC if I want to receive the SCF destination rate for mail that presently receives the SCF destination rate by bringing it to the NNJ Metro P&DC?
- [b] Will any of the proposed consolidations throughout the country maintain their BMEU and/or destination drop off capability so as not to require additional travel?
- [c] If so, why isn't this capability being utilized at the NNJ Metro P&DC?

RESPONSE

- (a) It depends on whether you want both the rate and service advantage and what time of day you intend to enter, for example, your Presorted Standard Mail. Assuming the consolidation scenario in the question, if a BMEU remains open at or near the site of the NNJ facility, you may still enter mail there by the Critical Acceptance Time instead of entering it by the later Critical Entry Time at the DVD facility in order to receive delivery by the same expected delivery day.
- (b) Yes.
- (c) As of the date of this response, no site-specific decisions have been made. If a BMEU is not retained at or near the site of a consolidated plant, there will be a rational site-specific basis for such a determination. A nearby site could include a nearby plant.

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DBP/USPS-39 Please refer to your response to Interrogatory DBP/USPS-31 subpart [c]. Please advise why the Postal Service presently does not require this type of notification and why it believes it is appropriate to not require it in the future.

RESPONSE

The notice requirements specified in uncodified PAEA section 302(c)(3)(d) include no such specific mandate and give the Postal Service the latitude to determine what constitutes adequate public notice. Reasonable minds can disagree about what constitutes adequate notice without their respective alternatives being regarded as inappropriate.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-41 Please refer to your response to Interrogatory DBP/USPS-26.

- [a] With the exception of ZIP Code pairs that cross a time zone line, will the given service standard for single piece First-Class Mail in the 48 contiguous states in the A to B direction have the same service standard in the B to A direction?
- [b] If not, please provide the exceptions that would exist along with the reasons.
- [c] Please explain how the crossing of a time zone line will affect the 4-hour drive time rule for determining the service standard.
- [d] Since the only dividing time between service standard changes is the 4-hour rule, please confirm that ZIP Code pairs that cross a time zone line will have an effect only for physical drive times of between 3 and 5 hours.
- [e] What happens to the service standards when a change is made to or from Daylight Savings Time and that either introduces or eliminates a time zone line between the two plants?

RESPONSE

- (a) Yes.
- (b) N/A
- (c) If a truck travels from west to east, when the time zone is crossed, the clock moves forward 1 hour, hence, if the travel time is 4 hours, it will actually arrive 5 hours after it departed based on the clock at the destinating facility. Likewise, if a truck travels from east to west, when the time zone is crossed, the clock moves back 1 hour, hence, if the travel time is 5 hours, it will actually arrive 4 hours after it departed based on the clock at the destinating facility.
- (d) Confirmed.
- (e) There is no glitch in the matrix with consequences that have a material bearing on whether the proposed service changes would be consistent with the policies of title 39.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-42 Please provide information on how the drive time is determined between two processing plants in order to apply the 4-hour rule? What changes, if any, have been made to the procedure used in the determination of the 12-hour drive time in a previous Docket for the 2-day vs. 3-day service standard?

RESPONSE

The Postal Service utilizes PC Miler BatchPro 20.0.0.1 drive time between each facility in the mail processing network to determine the drive time. The Postal Service has obtained a non-transferrable license for use of the software. Information about purchasing the software is available at the following link -- <http://pcmiller.com/products/>. It is unknown what software was utilized in the previous docket establishing the current 2-day vs. 3-day service standard. It is not clear how knowing such information would shed light on whether the proposed service changes in the instant docket would be consistent with the policies of title 39.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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DBP/USPS-43 Please refer to your response to Interrogatory DBP/USPS-28 subpart [a]. If the mail volume has gone down since 2006 and the processing network has pretty much stayed the same, why isn't the response an unequivocal yes to still being valid today?

RESPONSE

Because your question asked if the testimony would still be valid today under the current existing conditions, which the Postal Service took to be the testimony you specifically copied and pasted into your question. That testimony, as explained in the response to Interrogatory DBP/USPS-28 subpart [a] was developed in 2006 which was a very different time from where we are at today. As explained in our response, the Postal Service is now at a very different juncture than it was in 2006, and hence the response. Since that time, the Postal Service has completed many initiatives, specifically those as part of the Network Plan filed as USPS Library Reference N2012-1/2. The Postal Service's network has changed since 2006, and it is an incorrect characterization to suggest that the processing network "has pretty much stayed the same". The Postal Service has put on the record 13 separate pieces of testimony, and scores of library references explaining its position as it relates to where the mail processing network is currently at, and what is being proposed from a service standard perspective based on the mail volumes of today, as well as those projected into the future in order to properly align the infrastructure with the volume.

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DBP/USPS-44 Please refer to your response to Interrogatory DBP/USPS-29. At this point in time, have any changes in Part 3 of the Postal Operations Manual been considered or discussed as a result of the potential implementation of the proposed Docket? For example, one of the requirements of Part 3 of the POM is to have a weekday final collection of 5 PM or later at all city delivery offices. If the Postal Service has considered changing this to 4 PM or later, it would have an effect on the pending Docket and therefore be a relevant request.

RESPONSE

Appropriate manuals, including the POM, are being reviewed. it is safe to assume that some postal employee has some given consideration to whether some portion of Chapter 3 should be revised to some degree.